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TRANSPORTATION ON THE GREAT LAKES

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The prominence of the Panama Canal in the affairs of the nation has naturally resulted in greater interest in transportation by inland waterways. This is especially noticeable in the wider interest now being taken in our greatest natural waterway, the Northern Lakes, and in the conditions under which freight is handled on them.

Although the Great Lakes were originally individually navigable for boats of considerable size, the rapids at Sault Ste. Marie, and the narrow and shallow stretches of water connecting Lake Erie with Lake Huron, and Lake Huron with Lake Superior, through which the greatest volume of tonnage must pass, presented many obstacles to the passage of vessels. An increasing traffic transported, and a consequent decreasing cost of transportation have accompanied the clearing of these impediments to navigation. The principal natural obstacles have been, and still are, the shallow water over the Lime Kiln Crossing, just south of Detroit, over the St. Clair flats not far above the same place, at the Straits of Mackinac, and, most important of all, the Sault Ste. Marie Rapids at the entrance to Lake Superior. The deepening by the United States Government of the first three stretches, and the building by the United States and Canada of the largest locks in the world at Sault Ste. Marie, where there is a total fall of about eighteen feet in three-quarters of a mile, now permit the passage of practically all the immense tonnage to and from Lake Superior. These improvements have perhaps yielded greater returns to this country than many times the same amount invested in any other character of public improvements.

The aim of this paper is to describe in a general way the origin, character and method of handling the tonnage of the Great Lakes.

Traffic and Vessel Tonnage on the Great Lakes

Contrary to the general understanding this traffic consists of relatively few commodities, most of which are products of the mines, the forests and the grain fields, surrounding or lying beyond the Great Lakes. Iron ore and coal constitute the bulk of the tonnage.

The tonnage of ships and traffic passing the locks at Sault Ste. Marie gives the clearest index of the business handled on the lakes, though these figures do not include the tonnage passing between Lake Michigan and the East. Over one-third of the tonnage of ships under the American flag and half the steamers of 1,000 tons and upwards are on the Great Lakes, and last year the total tonnage of freight east and westbound passing over the Lime Kiln Crossing below Detroit, which would include the business of both Lake Michigan and Lake Superior to and from Lake Erie, amounted to over 70,000,000 tons in a season of 230 days. Over 25,000 vessels passed Detroit, an average of one ship every thirteen minutes, and 200 tons of freight per minute for the season. These figures exceed those of any navigable stream in the world. The records taken at the Sault Ste. Marie locks, indicate in a general way the character of this tonnage and the relative importance of the commodities of which it is composed. Last year the total freight through the Soo amounted to 51,751,080 tons, carried in 22,155 boats. It was valued at \$540,000,000, and was divided in the proportion about 80 per cent eastbound and about 20 per cent westbound. The principal eastbound business was:

Iron ore, 35,357,042 tons; wheat, 84,271,358 bushels; other grain, 54,341,155 bushels; flour, 6,405,350 barrels; copper, 107,633 tons.

Westbound:

Bituminous coal, 7,728,255 tons; anthracite coal, 1,011,275 tons; general merchandise, not comparatively heavy, but of relatively large value.

The larger part of the total is iron ore and coal, and the eastbound movement over-shadows the westbound in tonnage, and also in what is known as "bulk" freight; *i. e.*, ore, coal and grain as distinguished from package freight or general merchandise. The relation between the tonnage of the several classes of freight does not correspond with the ratios of the values. In 1905 it was

estimated that of the total value of traffic through the Soo during that year, the value of the iron ore and products of iron represented 27 per cent, cereals, 28 per cent, copper, 7 per cent, coal, both anthracite and bituminous, 5 per cent, lumber, 4 per cent, and all other products 28 per cent.

The total number of vessels on the Great Lakes early in 1907, with their gross registered tonnage, was as follows:

	Number.	Gross tonnage.
Sailing vessels	519	269,136
Steam vessels	1,844	1,841,438
Canal boats	480	50,599
Barges	209	73,259
Total	3,052	2,234,432

Deducting the canal boats, the number of vessels actually engaged in lake traffic was 2,572, and the gross tonnage 2,183,833. The percentage of sailing vessels is decreasing year by year, most of those now running are on Lake Michigan. In 1895 sailing vessels carried 30 per cent of the tonnage passing the Soo; in 1905 only 15 per cent. The craft on the lakes now range from the old boats of small size to the modern ore carriers made of steel, the latest of which are 605 feet over all, with sixty-foot beam, a depth of thirty-two feet, and a capacity of 13,000 tons. The barges referred to above are generally towed by steamers of the same line.

Iron Ore Traffic

The principal iron mining ranges are the Mesaba, Vermilion, Gogebic, Marquette and Menominee ranges, located in the territory adjacent to the western end of Lake Superior and in the upper peninsula of Michigan. The principal ore docks are located at Duluth, Superior, Two-Harbors, Escanaba and Marquette. The mines, as a rule, are located from ten to sixty miles back from the water, and the ore is hauled in specially constructed cars to the docks. These docks are so constructed that the cars from the mines are run out on them. The hoppers in the bottom of the cars are let down, and ore is discharged by gravity into pockets from the bottom of which iron chutes lead to the vessel lying alongside the dock. Through the hatches of the vessel the ore

is chuted by gravity into the hold at as many points as there are hatches. In this way very little manual labor is necessary. A cargo of 9,277 tons of ore has been loaded into the steamer "E. J. Earling" at Mesaba Dock No. 4, at Duluth, in seventy minutes or on an average of 7,288 tons per hour.

Just here we have the key-note of the transportation service on the lakes, which is to secure for each vessel the least possible delay at port of loading or of discharge and consequently the greatest number of round trips possible in a season. The average number of trips that a modern vessel is able to make from the head of Lake Superior to Lake Erie is usually estimated at twenty per season, although with good dispatch at terminals some boats may make twenty-five, and even more. Every additional trip in a season reduces the average cost of transportation, and the entire carrying trade is ever pressing to reduce delay, whether at terminals or en route. To the genius displayed in devising plans to accomplish this result is due in no small degree the record the lakes have made in affording the cheapest transportation in the world.

Based on records at the Soo, in 1905, the average distance that freight was carried was 833.3 miles. The average cost was .85 mill per ton per mile, as against an estimated average cost for rail handling of about four mills per ton per mile. Ingenuity in effecting dispatch of boats made it possible for the steamer "W. E. Corey" to make thirty trips between Duluth and Lake Erie ports during the season of 1906, and in that time to carry the enormous total of 302,000 tons of iron ore.

The chief iron ore ranges, and to a large extent the vessels engaged in this trade, are owned by the larger iron and steel companies of the United States. The United States Steel Corporation, through the Pittsburgh Steamship Company, owns the largest fleet on the lakes, 101 vessels with an aggregate tonnage of 368,165 tons gross register, or about 16 per cent of the total gross tonnage on the lakes. *Next* to them is the Gilchrist Transportation Company, with sixty-two vessels of 190,890 tons gross register; the latter, however, is not allied directly with the iron and steel interests. The chief steel companies, in addition to the United States Steel Corporation, now having ships on the lakes to carry their ore are the Lackawanna Steel Company, the Jones and Laugh-

lin Steel Company, the Cambria Steel Company, the Tonawanda Iron and Steel Company.

The largest steamer on the lakes is the "Wm. B. Kerr," having a capacity of 14,000 tons of iron ore. She is the first of three sister boats, and there are others capable of handling from ten to twelve thousand tons.

The record cargo of ore is held by the steamer "Henry H. Rogers" from Escanaba to South Chicago, 13,333 tons, and over and over again this year greater cargoes of freight have been carried down the lakes than have ever gone out of the harbor of New York. The depth of water in New York harbor does not permit the largest ocean steamers to load to their full capacity, and the largest vessels are the fast passenger ships that carry but little freight.

The rate at which ore is carried on the lakes is practically fixed by the Pittsburg Steamship Company, owned by the United States Steel Corporation, which decides what rates these boats will carry for, and the price they will give others to carry the balance of the ore used by them. In 1907 it was seventy-five cents per ton from the head of Lake Superior to the ore dock on Lake Erie, and from Marquette seventy cents per ton; while from Escanaba to Lake Erie ports the charge was sixty cents per ton, and from Escanaba to Chicago, a haul entirely in Lake Michigan, only thirty-five cents per ton.

In 1906 the charge for unloading iron ore was twenty cents per ton, while vessels that required trimming in order to adjust their cargo, paid about three cents per ton for that service. A cargo of ore loaded in a modern ore carrier, however, does not require to be trimmed.

The docks for the discharge of ore, unless such ore is for some iron industry located directly on one of the lakes, are generally owned and operated by the railroads leading south and east from Lake Erie to the furnaces of Pittsburg and the Mahoning and Shenango Valleys, a distance of approximately 75 to 150 miles, or even farther, to the furnaces in Eastern Pennsylvania, where the ore is converted into iron and steel by the use of limestone and coke. Were it not for the necessity of using these articles in the manufacture of iron, and for the fact that iron ore, on account of the cheapness of lake transportation, is more economically

brought to the coke, rather than the coke to the ore, the center of these industries might be in the neighborhood of Duluth rather than at Pittsburg; and the tonnage handled on the lakes might be comparatively insignificant.

The docks are located at Ashtabula, Cleveland, Conneaut, Buffalo, Lorain, Erie, Toledo, etc., all on the south shore of Lake Erie, and handle about 86 per cent of all the iron ore carried on the lakes. The above points rank in importance about in the order named, the largest number of tons handled in 1906 being at Ashtabula, with a total of 6,833,852 tons. The amount of ore received at Lake Erie ports was, in 1906, 32,076,757 tons, as compared with only 17,014,076 tons in 1901, a fact which furnishes a clear idea of the increase in the iron ore trade during the past few years. The difference between the total output and the receipts at Lake Erie ports is understood to be in the ore for furnaces at Detroit and South Chicago. Practically the entire success of a dock for receiving ore from a vessel, like a dock for loading vessels, depends on the ability to unload quickly and cheaply, and place in cars the tonnage that is daily brought alongside the docks by the gigantic ore carriers so constructed as to permit the hoisting and dumping by the most modern appliances, both electric and otherwise, of the greatest number of tons per hour in order to accomplish the quickest possible release of the vessel and effect the maximum saving in the cost of operation.

The efficiency of the machinery for unloading is shown by the record of the "George W. Perkins," 10,346 tons having been taken off in four hours and ten minutes, or at an average rate of 2,582 tons per hour. Moreover, this record is being approximated in the unloading of all similar boats, and it is the ambition of the managers of every dock to hold the unloading record. The records are being lowered year by year, and often more than once in a season.

Grain Traffic

Next in importance to the management of the ore traffic is the handling of grain. This trade is participated in by all kinds and sizes of vessels, and consequently there is more fluctuation in grain rates than in those for any other commodity. Grain originates beyond the western lake ports and is brought there

by rail and placed in elevators. From the elevators it is shipped by vessel, generally to the ports of Lake Erie, the cost by lake being less than by rail. At the western lake ports elevators in connection with and often owned by the prominent eastern rail lines, receive the grain, and in due course load it into cars for export via eastern seaboard cities or for transportation to interior points. The rates per bushel for carrying grain depend absolutely on the number of boats available for the trade. Charters for the season, such as are made for ore in large quantities, are not characteristic of the grain-carrying trade. When grain is wanted for any particular vessel the rate depends on the supply of or demand for vessels; or, in other words, upon what happens to be the immediate condition or the number of the boats available at the time, or upon the desire of the shipper for immediate forwarding. The rate thus made per bushel for forwarding say, to Buffalo, is known as the "going rate," and is a matter of public information on the various boards of trade at the points of shipment and remains the standard until altered by a change in the conditions above mentioned. The average rate on wheat from Chicago to Buffalo was 1.7 cents per bushel in 1906, and from Duluth to Buffalo 2.2 cents per bushel. Grain is the only commodity that is occasionally handled by what are known as the package freight lines, which are engaged in through traffic in connection with railroad lines. The boats of these package freight lines as a rule take grain only when it is necessary or expedient to fill out their freight capacity. At such times they bid for grain in competition with the bulk carriers, none of it handled by the package lines, however, is taken on through rates to interior eastern points, but only to eastern lake port elevators, from which the grain is reforwarded to ultimate destination.

In loading grain from the elevators it is spouted into the holds of the vessels through the hatches, and unloaded by placing an elevator "leg" through the hatches into the vessel. This so-called leg is a contrivance on which is arranged an endless chain of buckets which scoop the grain out of the boat, carrying it up and into the elevator.

The largest grain cargo in number of bushels carried but not in tons, was 417,300 bushels of oats brought into Buffalo by the "Mary C. Elphicke."

The rates on which grain is carried by railroad from the

eastern port elevator, if it goes to points east, are known as "At the East rates." This being a term used to indicate that the rate includes the cost of elevation from the vessel at eastern lake port and subsequent loading to cars, which service the ordinary rail rate would not include.

Lumber

Lumber is the other item of eastbound bulk freight on the lakes. The largest individual, although small, fleet in this trade is that of the Hines Lumber Company of Chicago. The rates this year have averaged, from Lake Superior to Lake Erie ports \$2.25 per thousand feet, and from Lake Michigan to Lake Erie ports \$2.00 per thousand feet. These rates are made by an association, with which practically all the lumber carriers are identified. The trade, however, seems to be falling off.

Westbound Coal Tonnage

Coal is practically the only article handled in bulk westbound. This business is peculiar in its method of handling, for coal is the only westbound cargo available for ore carriers, and were it not for coal these ore carriers would go light westbound, as they often do, in order that they may secure as many loads of ore as possible in a season. The result of this is that coal is taken west at rates that would otherwise be impossible. It is hard to estimate the value of this to the people of the Northwest, to whom the coal is a necessity. Coal is handled in and out of the ship without charge to the vessel, and last year the hard coal rate averaged, from Buffalo to Chicago, 46 cents and to Duluth 35 cents per ton. Soft coal averaged from Ohio ports to Chicago 46 cents and to Duluth 35 cents per ton. As practically all the ore boats are bound to Lake Superior the rates thence are lowest. Many of the big eastern coal companies have their own facilities and arrangements for handling coal at western lake ports.

Package Freight Service

We may now consider the relation of the package freight lines to the traffic of the lakes. These lines are engaged in carrying all kinds of merchandise in such packages and of such size as can be transferred from cars to boats. Practically all passenger

steamers on the lakes also carry package freight, although all package freight lines do not carry passengers, and in fact the big package lines, in operation between eastern and western lake ports, with perhaps few exceptions, do not carry any passengers, being made up exclusively of package freight boats. The most modern of these carry about 5,000 tons, and, as a rule, all of this is loaded between decks or in the hold reached through openings in the decks, the freight being handled in and out through gangways in the sides of the boat and up and down gang planks from and to the docks.

There are several package freight lines, but they may be divided into two large classes:

First. Those that make short runs between nearby ports or ports on the same lake, or are engaged in carrying freight, generally not of considerable volume, for local delivery at the ports at which they call.

Second. Those lines that have through rates and prorating arrangements with the larger eastern and western rail lines, with which they connect.

The lines in the first class, on account of the generally local aspect of their service and of the fact that they are not usually a link in a through transportation service, may be passed over without discussion, in order that fuller consideration may be given to the other and more important class of package freight lines.

Although the business carried between ports on the Great Lakes by these lines is considerable in quantity and value, their chief traffic is that turned over to them as intermediate carriers between the rail lines leading east to the western lake ports of Chicago, Milwaukee, Gladstone and Duluth, etc., and west to the eastern lake ports of Buffalo, Erie, Cleveland, Detroit, Port Huron, etc.—this business to be again turned over by the lake lines to rail connections at the end of their route. To illustrate by a concrete example: business for rail and lake shipment may be taken in New York by the Pennsylvania Railroad to Erie and delivered to its lake connection, the Erie and Western Transportation Company, which takes the freight by water to Duluth or Chicago, as the case may be, and again turns it over to connecting rail lines to be delivered by them to consignees at St. Paul or Minneapolis. The same service may be performed in the other direction from Minneapolis, for example, to New York.

As these lines all have their rail connections, they may in turn be subdivided into two classes, according to the efficiency of their service. Some of them have direct routes, east of the lakes, for example, to and from New York, in connection with the big trunk line roads, such as the Pennsylvania Railroad and the New York Central, while others are dependent on a short water haul, like the National Despatch which takes business by water from New York to New London, Conn., and there turns it over to the Central Vermont Railroad, which in turn has a long haul in connection with the Grand Trunk to Depot Harbor, Canada, where it is at last delivered to boats to be carried to Chicago and points beyond. Another route is via canal boat through the Erie Canal from New York to Buffalo (requiring from twelve to fourteen days on the canal), where the freight is turned over to lake lines for forwarding west.

Rates by the Lake Lines

As a result of the different services thus offered there are three kinds of rates via the lakes: (1) westbound, from New York City, known as standard lake rates; (2) differential lake rates, and (3) canal and lake rates. These three are represented by the following rates in cents per hundred pounds, on the various classes, New York to Chicago:

	1	2	3	4	5	6
Standard Lake .....	.62	.54	.41	.30	.25	.21
Differential Lake .....	.52	.46	.35	.26	.22	.19
Canal and Lake .....	.42	.36	.29	.23	.21	.18

It will be seen how complicated must be the adjustment of rates by the various routes, and how greatly the charges must vary in accordance with the services performed, particularly when it is remembered that the service between these points is also performed by all-rail routes, differential rail routes, and by an ocean-and-rail route via Norfolk. These routes in turn have the following rates, first class, in cents per hundred pounds, New York to Chicago: all-rail, 75 cents; differential rail, 69 cents; ocean and rail, 65 cents.

During the season of open navigation a shipper in New York who wishes to forward a hundred-pound case of blankets to Chicago, has, among others, a choice of the following routes, in connection with each of which the charge would be in cents the amount mentioned: all-rail, 75 cents; differential rail, 69 cents; ocean and

rail, 65 cents; standard lake, 62 cents; differential lake, 52 cents, and canal and lake, 42 cents.

Prominent among the commodities handled by the package lines, westbound, are sugar and cement. The eastbound business, however, is the heaviest and consists almost exclusively of flour, mill feed and copper, with occasional deck loads of shingles, and now and then grain if the vessels are unable to secure a full load of package freight.

Ownership and Rail Connections of Lake Lines

As between the standard and the differential lake lines, much the more important are the standard lake lines operating between Lake Erie and Lake Michigan or Lake Superior ports. These lines are, with the exception of the Soo line, generally owned and operated by the eastern trunk lines, as feeders at their eastern lake ports. The railroad-lake lines are:

	<i>Operating to and from</i>	<i>Owned by</i>
The Erie & Western Transportation Co. (Anchor Line)	Lake Michigan and Lake Superior.	The Pennsylvania R. R.
The Western Transit Co.	Lake Michigan and Lake Superior.	N. Y. C. & H. R. R. R.
The Union Steamboat Line.	Lake Michigan	Erie Railroad.
Mutual Transit Co.....	Lake Superior	Lehigh Valley R. R. D., L. & W. R. R. Erie R. R. N. Y. C. & H. R. R. R.
Lackawanna Transportation Co.	Lake Michigan	D., L. & W. R. R.
Lehigh Valley Transportation Co.	Lake Michigan	Lehigh Valley R. R.
Minneapolis, St. Paul & Buffalo Steamship Co. (Soo Line)	Lake Michigan	Minneapolis, St. Paul & Sault Ste. Marie R. R.

None of these lines, with the exception of the Anchor Line, operate passenger steamers. Like the carriers of bulk freight, every effort is made by the owners of these lines to accomplish as many trips in a season as possible, and the boats are consequently, with the exception of passenger boats during the passenger season, not operated on any schedule but are turned as rapidly as possible. To accomplish this large warehouses are maintained at eastern lake

ports by these lines, in order that the cargoes of eastbound vessels may be immediately unloaded for subsequent shipment east. These warehouses are equipped with various devices to secure the greatest possible dispatch in the loading and unloading of boats, and in many cases separate houses are devoted to the east and westbound business. At the western lake ports the facilities for through business are provided by the delivering rail lines at whose terminals the package freight lines call for or deliver business routed in their care.

On account of the slower speed of handling and of the increased number of transfers incident to business shipped by rail and lake, as compared with all-rail, the rates are lower via the lakes than via the all-rail routes. The present difference is illustrated by the $17\frac{1}{2}$ cent rate per hundred pounds on flour from Chicago to New York, via lake and rail as compared with $19\frac{1}{2}$ cents per hundred pounds all-rail, and by the westbound rate of $23\frac{1}{2}$ cents per hundred pounds, New York to Chicago, on sugar via rail and lake, as compared with 26 cents per hundred pounds all-rail. The difference between these figures, in each case, is known as a differential. It represents the amount under the all-rail rate charged by the standard rail lines, which experience and long custom has established as being considered the difference between the value of the two kinds of service. The retail prices of granulated sugar and flour, per hundred pounds, being \$5.50 and \$3.50 respectively, it will be seen what a comparatively small part the cost of transportation must play in the price of such commodities to the consumer.

It is difficult to explain the various rates in existence over the several routes between the East and West; but it should be noted that the service via the lakes requires a transfer, where none is necessary when shipments are all-rail, and that there has grown up a fixed relation between the rates all-rail and the rates rail and lake, based on relative speeds, and that when reductions or advances are made in all-rail rates, consequent reductions or advances follow in the rates rail and lake, either eastbound or westbound. These principles of adjustment are further carried out in changes in rates by the differential rail-and-lake lines, and the canal lines.

The various standard lake lines were primarily considered as feeders for their rail connections, and in order that other railroads not equipped with lake lines may not reap the advantage of the

tonnage thus provided, through prorating arrangements have been made only between the lake lines and their rail owners, or such other railroads as the owners of the lake line think it profitable to connect with.

Summary—Importance of Service of Package Freight Lines

The foregoing discussion shows that by far the largest part of the tonnage of the lakes consists of ore, coal, grain, etc., handled in bulk by vessels ready to go from port to port for the highest compensation they can secure for their services. On account of the great quantities handled, and the ease with which it is loaded and unloaded, and also on account of the fact that the government has provided a free way and free harbors, the rates for transportation on the lakes are so low as to make unfair a comparison of those rates with average charges per ton per mile via rail lines.

The bulk freight handled on the Great Lakes consists almost exclusively of raw materials which can be moved at such low rates as to exclude competition by all-rail routes. With the package freight business the situation is different and there is active rivalry between the rail and water lines. The charges for package freight made by rail and water lines must be approximately equal because the difference in costs of the services by competing routes is relatively small.

Although the tonnage of package freight handled on the Great Lakes is small as compared with the volume of bulk traffic, the service performed by the package freight steamers is highly important. The package freight lake lines assist their rail connections by adding to the volume and regularity of their traffic, and afford the shipping public the choice between various routes. The shorter and more expensive routes provide a quicker service; the more circuitous, and to the shipper the less expensive routes, a slower service.

There is a business demand for both of these services. The package freight lines on the lakes perform a function of value to the carriers and to the public, and occupy an important place in the elaborate and delicately adjusted system of transportation that has grown up in the highly developed industrial section of the United States lying between the Mississippi River and the north Atlantic seaboard.